

**MINUTES OF THE TACOMA NARROWS BRIDGE TOLL HEARING  
CONFERENCE CALL SPECIAL MEETING  
WASHINGTON STATE TRANSPORTATION COMMISSION  
April 7, 2008**

The special conference call meeting of the Washington State Transportation Commission was called to order at 10 a.m., on Monday, April 7, 2008.

**Introduction and Welcome**

Chair Ford opened the meeting requesting a roll call of Commissioners:

Dale Stedman  
Dick Ford  
Elmira Forner  
Carol Moser  
Dan O'Neal  
Philip Parker  
Bob Distler – Absent

Chair Ford explained that during today's conference call the Commission will consider and approve the CR 102 filing proposing a toll increase for the Tacoma Narrows Bridge. There will be no public comment taken at today's meeting. The Commission will be accepting public comment through May 27, 2008. There will be open public meetings held on May 20<sup>th</sup> and 27<sup>th</sup>, 2008, in Gig Harbor public comment will be taken at that time.

Greg Selstead, Director, Toll Operations, WSDOT, explained that today's materials are the same as what was distributed at the March 19, 2008 Commission meeting with one minor exception. The spreadsheet before you is a 23-year financial plan summary. The summary has been updated to include the TransCore contract agreement renegotiated with the operator. The agreement has in fact become effective April 1, 2008. Also reflected is the enacted supplemental budget.

The first spreadsheet in front of you is a full 23-year plan out to 2030. The second sheet has three proposed toll scenarios for fiscal year 2009:

**Baseline scenario**

\$3 ETC and \$3 cash

**Discounted ETC scenario**

\$2.75 ETC and \$4 cash

**Non-even dollar/cash scenario (as requested by Commission)**

\$2.75 ETC and \$3.50 cash

There has been a minor adjustment to these materials from what was presented at the March Commission meeting. With the enacted supplemental budget FY 2008 and FY 2009 were correctly shown under the area of WSDOT administration of toll operations. Those costs are accurately reflected based on the supplemental budget, and the same for the WSP enforcement items. There were inflationary adjustments made to the years 2010 and beyond on both categories based on the recently passed supplemental budget amounts for administration and enforcement.

Chair Ford emphasized that numbers beyond the current biennium are speculative. The Legislature may make adjustments during any given session. The one thing that will not change is the debt service.

Mr. Selstead reassured that there have not been any changes for FY 2008 or FY 2009. Again it is speculation, but based on what happened during this legislative session this is a pretty accurate.

Chair Ford noted that he does not want to discourage the Department from forecasting as it is needed over the long haul. He just wants to warn the public that we sort of live from appropriation to appropriation based what the cost and authorization is from the Legislature. Leaving aside the bond debt service, which is pretty well a set number now that all of the bonds have been sold, or do we know?

Mr. Selstead responded that there is one more possible sale, but that would be very minor in scope right now, at this point there was one more sale scheduled, but I'm not certain of the magnitude of that, but it is fair to say that the debt service we are looking at is a pretty accurate reflection for the overall financial plan.

Chair Ford emphasized that he wants the public to be aware that the out years are subject to Legislative action.

Mr. Selstead explained that the scenarios are all based on two axles, representing that there is a toll rate table that reflects the multi axle charges. The discounted ETC scenario is the recommendation by the CAC at \$2.75 ETC and \$4 cash for two axles. The final element as requested by the Commission is an analysis with an ETC of \$2.75 and cash \$3.50. The Department does not recommend that approach. An additional analysis has been performed by the Department that relates to the currently completed negotiations with the vendor. Moving to a non-even dollar toll amount does increase cost associated with toll collection at the booths, primarily due to handling of coins. The Department has consulted with other tolling entities and independent consultants, and while there is not an exact dollar amount or impact associated with the cost of a non-even dollar using more coinage, there are a number of different factors that the Department believes would be an impact to the cash collection – the average transaction processing time slowing as coinage is handled. This could potentially cause an opening of more lanes due to transaction time at the booth as well as several other impacts.

Commissioner Stedman noted that this would only apply to cash collection not ETC.

Commissioner O'Neal commented that as he understands it the Department is okay with the \$3/3 and \$2.75/4. A large percentage is using the ETC-over 75 percent?

Mr. Selstead responded yes....overall 75 percent and continuing to grow.

Commissioner Moser asked if the new fixed fee contract with the vendor assumes that the cash collection would be even amounts.

Mr. Selstead responded that in good faith with the vendor an even amount was assumed in the transaction time with vendor.

Commissioner Moser noted that the contract also includes \$435 thousand dollars per year in expected significant system enhancements. What are these enhancements?

Mr. Selstead responded that sales tax rate will need to be associated with the purchase of the transponder in the owner's city/county state sales tax rate versus the sale occurring in Gig Harbor. The system when initially setup was not designed in that manner, with that being the case this will be a significant system enhancement that will need to be negotiated.

Commissioner Moser proposed that there be a discount policy, reflecting that if you are using an electronic transponder over a cash collection, there be a discount because it is cheaper to collect electronically.

Chair Ford commented that he agrees. With other projects coming online that might be all electronic, we would want to encourage the use of an electronic device rather than cash, so using the ETC as discounted is an incentive, which creates other issues.

Commissioner Forner emphasized that she is supportive of using an even number for the cash toll.

Commissioner Stedman asked if everyone has reviewed the CAC's recommendation.

Chair Ford noted that all Commissioners have received a copy of the recommendation. The CAC's recommendation covers the cost with a modest overage factor, which is really the buffer because we do not know what raising tolls will actually do to traffic. It may dampen traffic some and in addition to that we are going into a recession, if we are not already there, which could impact traffic. All of these revenue assumptions are based on today's traffic levels with the understanding that there must be enough revenue to pay the debt.

***It was moved by Commissioner Moser and seconded by Commissioner O'Neal to approve the \$2.75 ETC and \$4 dollar cash toll proposal for two axle vehicles. The electronic rates multi- axle vehicles will be rounded up to the nearest nickel.***

*Chair Ford called for the vote:*

*Commissioner Stedman – Aye*

*Commissioner Forner – Aye*

*Commissioner Moser – Aye*

*Commissioner O’Neal – Aye*

*Commissioner Parker – Aye*

*Chair Ford – Aye*

*Commissioner Distler - Absent*

*The motion passed unanimously.*

Mr. Selstead stated that the CR 102 will be prepared for signature and filing.

Chair Ford adjourned the hearing at 10:30 a.m.

**WASHINGTON STATE TRANSPORTATION COMMISSION**

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DICK FORD, Chair

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ELMIRA FORNER, Vice-Chair

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PHILIP A. PARKER, Member

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CAROL MOSER, Member

ABSENT

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DAN O'NEAL, Member

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ROBERT S. DISTLER, Member

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DALE STEDMAN, Member

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PAULA HAMMOND, Ex-Officio Member  
Secretary of Transportation

\_\_\_\_\_  
JENNIFER ZIEGLER, Governor's Office

ATTEST:

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REEMA GRIFFITH, Executive Director

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DATE OF APPROVAL